

ARMY HOST



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Retrospect—fiscal 1978

Better management improves financial picture.

WASHINGTON—There was improvement on many Army club fronts in fiscal 1978. Total sales were up to \$238.1 million from 1977 sales of \$219.6 million. Total revenue went from \$260.3 million in fiscal 77 to \$282 million in fiscal 78. Net income in FY 78 increased by \$900,000 to \$11.3 million or 4.8 percent of sales. The percentage of profitable clubs increased from 77.8 percent in fiscal 1977 to over 84 percent in fiscal 1978.

Fiscal 1978 was a year of unprecedented club renovation and construction. 24 major club projects costing \$25,000 or more were started or completed at a total cost of \$6,222,000. Continued positive operating results in fiscal 1978 will allow for accelerated upgrading of club facilities. Army clubs have programmed \$31.2 million in their fiscal 1979 capital expenditure budgets for buildings and building improvements and \$12.6 million for club furniture, fixtures and equipment.

The Army's Club Management Course, at Fort Benjamin Harrison, IN, upgraded its curriculum and graduated 222 students. The Army's Executive Club Management Course graduated 61 students. This course is sponsored by the Club Management Directorate, TAGCEN, and conducted by Florida International University's School of Hospitality Management at the Marina Bay training facilities in Fort Lauderdale, FL. Two more courses are scheduled for fiscal 1979.

Other training advances included continued de-

velopment of a club management intern program designed to provide the Army club system with professional and well-trained civilian managers recruited from hotel and restaurant management schools. Five interns are currently in the program which allows them to enhance their college training by attending the Club Management Course and by on-the-job training at selected clubs throughout the Army.

In fiscal 1978, the Air Force began participating with the Army, Navy and Marine Corps in the Armed Forces Culinary Course at Patuxent River Naval Air Base, MD. This course is designed to improve the skills of military club chefs, cooks, and food managers. Fifty-two Army club people graduated from this course in fiscal 1978 and nine more courses are planned for fiscal 1979.

The Club Management Directorate also completed work on the third of a seven part film on food management. Part three, "Food Management Purchasing", has been distributed to Club Management Directorate regional offices and is available upon request by club managers Army-wide. The first two parts, "Marketing, Merchandizing and Menu Item Development" and "Product Development and Specifications" have been distributed. The fourth section "Receiving, Storing and Issuing" will be produced early in fiscal 1979. Part five: "Food Preparation"; Part six, "Food Controls"; and part seven, "Service and Sales Accountability" are also slated for production by the end of 1979.

During fiscal 1978, Phases I and II of a program designed to improve the quality of meat items procured by Army clubs was begun. The first two phases are being evaluated and, if successful, clubs will have available negotiated agreements with meat packers offering lower prices and higher quality. Phase III calls for implementation of the program in several CONUS geographic areas.

Advances were also made in personnel. 33 club positions were filled as a result of the civilian referral program. 223 people applied for the Enlisted Club Management Career and Development Program. Trained military managers in Army clubs now number over 900.

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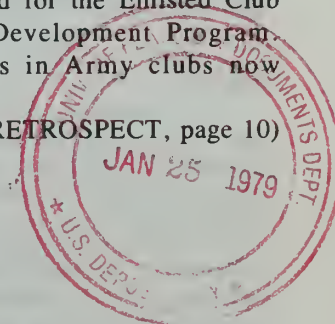
Accounting

79 Outlook

Glad you asked

Fort Carson

and more



USAREUR clubs have good year

Highest MACOM total revenue, net income increase.

HEIDELBERG, W. GERMANY—The 243 U.S. Army, Europe clubs registered a 9.8 percent increase in total revenue during fiscal 1978, and a 43 percent increase in net income, outpacing clubs in all other major Army commands in these two categories.

Total sales were up to \$53.8 million from fiscal 1977 sales of \$49.3 million. Total revenue went from \$61.7 million to \$67.8 million in fiscal 1978. Net income in fiscal 1978 increased by over \$1.0 million to \$3.4 million representing 6.3 percent of sales compared to \$2.4 million net income, 4.8 percent of sales in fiscal 1977.

93 percent of USAREUR club branches showed a net income in fiscal 1978 compared to 73 percent the year before. Cost of goods as a percentage of sales dropped ½ percent and total labor increased from 32.7 percent to 33.1 percent of sales. This was achieved despite the declining value of the dollar in West Germany which increased the cost of employing local civilians and the cost of goods procured on the local economy.

With a primary goal of increased membership satisfaction and participation, USAREUR clubs will embark on a comprehensive program to upgrade facilities.

Safeguard disco gear

Hot club items.

WASHINGTON—Turntables, amplifiers, speakers and other discotheque equipment are hot items in the club inventory and as the popularity of disco increases in Army clubs, so does the incidence of theft of this equipment.

Thieves broke into a USAREUR club and got away with about \$3,000 worth of disco equipment. At a stateside club, thieves stole equipment from a car parked outside of the club while it was being loaded.

You can protect your disco equipment by asking local military police to conduct a crime prevention survey of your club to determine whether it is susceptible to theft.

Also, make sure that the equipment is insured. If it is owned by the club it should be insured under The Adjutant General's Risk Management Program. If the club contracts with a local DJ to have him bring his own equipment into the club, the club should divest itself of responsibility for theft and damage to the equipment as a part of the contract.

1979 club goals

WASHINGTON—Upgrading the appearance and amenities of club facilities tops the list of the five primary 1979 club management goals.

“Our total effort in 1979 is directed toward well-managed, attractive clubs providing good food and beverages at affordable prices, with friendly, personal service for soldiers and their families,” said the Army's Director of Club Management **COL Lee C. Dickson**.

Many Army club facilities are in urgent need of capital improvement, according to Dickson and “net income accumulated over the past four years will allow the Army to build first-class clubs in the coming years.” Dickson cited a “facility improvement program” whereby clubs needing improvement are identified and action is taken to expedite the renovation or construction. The Army club system is also looking forward to improved club food programs and services in fiscal 1979, according to Dickson who cited training and assistance teams, training courses and workshops as geared toward this objective.

Also, in 1979, the Club Management Directorate will work to improve the quality of club managers by reviewing the Club Management Course's program of instruction and through regional workshops, Dickson said.

He said that these three goals are oriented toward the last two of the five club management goals: increasing club membership participation and satisfaction and assuring that clubs are financially self-sustaining.

Facility improvement, improved food and services top priority.

1979 menu price rise seen

NEW YORK—Planning to raise menu prices in 1979? You're not alone, according to *Restaurant Business* magazine's President's Forecast, the results of a survey of major food service company presidents and senior executives.

The magazine predicted a 10 percent 1979 inflation rate (roughly the same as 1978) and asked food service execs how high their menu prices will go in the coming year. “If you're projecting menu price increases of five to eight percent, count yourself among the majority,” according to the report which also pointed out that only one major chain plans to raise prices more than 10 percent. And few food service executives believe that such increases will meet with any great customer resistance.

Army club fourth quarter FY 78 operating results

WASHINGTON—Army installation club systems attained the following in the fourth quarter, fiscal 1978:

In \$ thousands

	Total Revenue	Total Sales	Net Income	(% of Total Sales)
4th quarter FY 78 (Jul-Sep 78)	72,222	60,764	2,500	4.1
4th quarter FY 77 (Jul-Sep 77)	65,987	55,541	2,179	3.9
Total FY 78	281,986	238,071	11,338	4.8
Total FY 77	260,280	219,651	10,358	4.7

CIP earning more

WASHINGTON—Depositors in the Army's Central Investment Program (CIP) earned eight percent in the first quarter fiscal 1979. And projected earnings for the second quarter fiscal 1979 are 9.20 percent.

The increase in earnings began in December 1978 and TAGCEN investment experts believe interest earnings should "consistently improve" with a good

outlook for calendar year 1979 even if market rates turn downward.

Depositors are urged to increase their efforts at this time to take advantage of the higher rates currently available.

The CIP accepts deposits in any amount and withdrawals can be made on demand for operational purposes.

Sixth 1978 Club Management Course graduates



(L to R) Row 1: Kwon O. Son, rtn to Korea; Kim U. Yong, rtn to Korea; Han Kun Su, rtn to Korea; MSG Benjamin Binyork to Korea; 1LT M.J. Palmer to Heilbronn, W. Germany; CPT Robert J. Shooner, Jr., Course Director; MAJ Edmund J. Stawski, Jr.; SSG Samuel L. McKoy, instructor; SSG Lorenza B. Nottage, food instructor; Mrs. Amy M. Wu, rtn to CMD; Chong Chae Yong, rtn to Korea. Second row: CPT Joseph A. Bowie, Jr. to Walter Reed AMC; SFC Thomas F. Parr to Europe; SFC John F. Harris to Europe; SSG Carlos M. Lujan to Korea; SFC Richard A. Jarvis to Ft. McPherson; SFC Joel W. Cook to Korea; Wilson A. Comfort, rtn to Ft. Hamilton; 2LT Thomas E. Strutz to Korea; 1LT Patrick J. Huau to Panama; SSG W.D. Morgan to Ft. Campbell; Thlrd row: SFC Bernard D. Hayes to Hawaii; SSG John J. Koss III to Korea; SFC James R. Kuterbach to MDW; SSG Clarence E. Scott to Ft. Campbell; SSG Larry Andrews to Korea; 2LT Geary L. Leathers to Pirmasens, W. Germany; SFC Arthur Brown to Korea; SSG James T. Chapman to Aschaffenburg, W. Germany; SSG John D. Smlth to Fulda, W. Germany. Fourth row: SFC Johnny W. Wyatt to Ft. Lee; 2LT Santos E. Gonzalez to Karlsruhe, W. Germany; SFC Walter R. Gaines, Jr., to Korea; SSG C.L. Westbrook to Oberammergau, W. Germany; SSG James E. Allen to Ft. Carson; SFC John A. Taylor to Schweinfurt, W. Germany; 1LT Kenneth C. Swift; 1LT Joseph L. Mouton to Korea; Fifth row: CPT John A. Fountain to Korea; SFC Paul M. Matthews to Hanau, W. Germany; SSG Robert G. Hubbs to Korea; SFC Karl J. Arnold to Korea; SSG James A. Glesmann to Ft. Knox; 2LT Paul L. Tomlinson to Korea. Not pictured: 2LT Daniel J. Ahern to Goeppingen, W. Germany; SSG David C. Burden to Ft. Leavenworth; Kenneth L. Burke to Watervliet; 2LT Rick D. Johnson to Kaiserslautern, W. Germany; SFC Jay R. Stephens to Ft. Ben Harrison; 2LT Donald H. Uyeno to Europe.

Carson clubs face tough market

4th Infantry Division training puts stress on club system.

FT CARSON, CO—Bolstered by continually increasing sales and positive financial results in recent years, including record breaking fiscal 1978 total revenue of \$3.7 million, the club system here is continuing a well-conceived, ambitious capital improvement program designed to accommodate the unique market demands of the nearly 18,500 soldiers and families here.

Fort Carson is the home of the Army Forces Command's (FORSCOM) 4th Infantry Division (Mechanized)—a highly mobile fighting force—whose goal of being “fit to fight” portrays its combat ready mission. The average 4th Infantry Division soldier spends about half of his duty time in a field training environment. Battalions and often entire brigades spend weeks and sometimes months participating in field training “down-range” at the massive installation and units often move out of state or overseas to participate in training exercises.

This need to maintain a high level of combat readiness creates a high level of camaraderie and unit cohesiveness—it also places special demands on the soldiers assigned here and on the club system which must serve these soldiers. Installation club manager **Tom Walker** and NCO/enlisted branch manager **Nelson Miles** described their plans for the people which they termed the workhorses of the Army—the infantry.

All enlisted clubs were profitable during fiscal 1978.

“These soldiers work hard,” Walker said. “This is an infantry division. If you take a close look around this post, you’ll see constant training. When they’re not training, they’re getting ready to train,” he added.

“The young soldiers are the strength of the division,” said Miles. “Remember that most of the Division are junior enlisted people—people 18 to 22 years old who have come to Fort Carson after basic training into a strange environment and then are asked to work their butts off. Everyone works hard here—from the commander’s staff to the junior enlisted,” Miles said.

And so do the people at the club system.

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Fort Carson, a major FORSCOM post located at the foot of the Rocky Mountains is a dynamic post with its 18,500 troops training for combat readiness. The club system is also dynamic with an aggressive building program. During 1979, the club system plans to completely renovate its Officers' Club, construct a new package store, build another enlisted annex and upgrade four other enlisted annexes. *(Photos by Walker)*



Modern design, earth tones and plants are features of the Fort Carson Main NCO Club.

NCO Branch

The eight clubs in the NCO/enlisted branch appear well managed. Programs are constantly reviewed and improved, pushing sales to all-time highs. Expenses are carefully monitored from the ICM office down to the enlisted annex manager. All enlisted clubs were profitable during fiscal 1978. Fiscal 1978 saw food cost of goods in this branch drop by over three percentage points and food labor increase by just over one percent despite large increases in employee wages. In the bar, cost of goods dropped nearly two percentage points from fiscal 1977 and labor costs in the bar dropped nearly four percent. Not surprisingly, net income rose by over \$135,000 from fiscal 1977 to \$268,000 in fiscal 1978 as the NCO/enlisted branch chalked up a 17 percent net income.

“We continue (club manager) training after they arrive at Fort Carson.”

Miles explained why the NCO/enlisted branch did so well and what he plans to do with the soldiers' dollars.

“We pay attention to every expense item,” he said. “All annexes are expected to operate profitably and when things start to drop in one annex, we find out what the problem is,” he added. “Annex managers meet with me weekly and are asked to explain variances and discuss problems which they are having in their clubs,” he added.

“Also, we don't let a guy manage a club until he's ready. We realize that after seven weeks of training, the Club Management Course graduate isn't totally prepared to assume responsibility for the operation of



Fort Carson is an active participant in the Club Management Directorate intern program which is designed to bring recent hospitality school graduates into the Army club system. Pictured above are (L to R) Nelson Miles, NCO/enlisted branch manager, intern Lucinda Golfin, a Florida State University graduate (now employed by Fort Knox club system), SFC Daniel Straty, Carson's Main NCO Club manager and intern Tom Lambert, a Pennsylvania State University graduate.

one of our annexes. We continue their training after they arrive at Fort Carson. First, they are placed in the main NCO club and actually work in all facets of the club. That includes being a bartender, assistant to the food manager, booking parties and all club management tasks. If they don't have any food background, we'll send them to a local community college for training in the food area. We don't let them run a club until we're sure they know how,” he added.

Miles said that the NCO/enlisted branch also tries to adjust to the quick market fluctuations caused by units being sent to the field for training. “Our sales drop by as much as \$30,000 a month when units train. If you don't adjust labor quickly, you'll be in deep trouble.”

The NCO/enlisted branch has programed millions of dollars in capital expenditures to compliment its \$1.7 million dollar 22,000 square foot main NCO club. The main NCO club, according to manager **SFC Don Straty**, is designed to offer something special for E-4s and above in the way of dining, entertainment and beverages. “The main club is a place where the members can take their spouse or guest and enjoy a evening of quiet dining, disco dance music or live entertainment,” he said. The club, one of the Army's newest, is a modern facility enhanced by hanging plants and earth tone decor. “This is the showplace of the NCO/enlisted branch and NCOs coming here are treated special—that's what they want, and that's what we're trying to give them,” Straty said.

(continued)



BG James C. Pennington, The Adjutant General (center) enjoys a roast beef sandwich during an informal discussion of the Fort Carson NCO/Enlisted Branch operation with SFC Daniel Straty, Main NCO Club manager (left) and Nelson Miles, NCO/enlisted club branch manager while on a tour of the Carson Club System this past spring.

Besides being just a nice place to go, the main NCO club has developed into a focal point for NCO/enlisted community activities as well as contributing to combat readiness. Elaborate functions are staged almost weekly as brigades, battalions and companies hold events. During the day, it isn't unusual for 4th Infantry Division units to use the club's spacious rooms to hold training sessions which Miles describes as a community service as well as promoting the club.

. . . 4th Infantry Division units . . . use the club . . . to hold training sessions

The branch also sets aside one club annex for E-6s and above. "This club is a special place for the senior enlisted people to get together among their peers," Miles said.

The NCO/enlisted branch has a new main enlisted club on the drawing board designed to provide the type of food and entertainment that isn't available in the smaller unit clubs. This club will include a drive-in fast food restaurant. The Carson NCO-enlisted branch also plans to break ground in fiscal 1979 for a completely new enlisted unit club in another Carson barracks area. "Our building program is designed to give every Carson soldier something they like in the form of food, entertainment and beverages," Miles added.

Junior enlisted . . . aren't being ignored.

Junior enlisted, the largest Carson NCO/enlisted market, aren't being ignored. There currently are six small clubs located strategically around post to cater to the junior enlisted market. These clubs are located in high-concentration barracks areas.



SFC Daniel Straty, Main NCO Club manager (right) is shown here assisting a Carson NCO in booking a party at the club.



The main NCO club allows units to meet and conduct training sessions in a more relaxed atmosphere. During the day, it isn't unusual to find an entire company coming to the club to use meeting facilities at no charge. "By allowing units to use the club facilities for training sessions, we are able to give the club visibility and make the club system a more integral part of the Fort Carson military community," said NCO Branch Manager, Nelson Miles.

These "unit clubs", each scheduled for renovation, provide the unit with a "neighborhood tavern" like atmosphere, according to Miles, where units can develop cohesiveness and soldiers can make sure that members of their own units stay out of trouble. "If a soldier steps out of line in one of the unit clubs, his buddies will take care of him," Miles said. "The troops also take better care of the club when they know it belongs to them," he added. Miles said that unit clubs allow soldiers to stay closer to their units, thereby enhancing the readiness role and reducing the number of traffic accidents. *(continued)*



When these men are training, they're not in the club, and that requires Carson managers to have flexible club programs.

Officers' branch

The officers' club boasts over 1600 members. No small task considering that many Carson officers live as far away as 20 miles from the installation. "It's hard to ask an officer who has worked hard all day to make a 20 mile drive home and return to the club," said officers' club manager **CW2 James Steffes**.

Despite this market disadvantage, the club offers a wide array of services to the membership and has programs designed around the market.

"About 50 percent of our business is parties," Steffes said. "The Division here at Fort Carson has high morale and the command holds a lot of functions at the club," he added. While most of the officers live off-post, the club attracts lunch customers to bolster sales. "We offer a la carte dining six nights a week and we recently started a special gourmet dinner night," he added.

Steffes hopes that an upcoming major renovation of the club (the first since its construction in 1969) will help business at the club.

"It's tough trying to keep your head above water," he said, "especially when units are training. We have to pay attention to everything and keep costs down. We're in competition with one of Colorado's finest resort towns, Colorado Springs, and we have to fight for our customers," he said.



Fort Carson's Officers' Club is scheduled to undergo extensive renovation in 1979, the first improvements since its construction ten years ago.



The lull before the storm—all's ready for a command function at the Fort Carson Officers' Club



The management of Fort Carson Officers' Club is faced with a formidable marketing task as most members reside nearly 16 miles from the installation. Management answer? Large private party and lunch business and other programs designed to draw patrons back to the club after working hours.



The officers' club has a la carte dining six nights a week.



Child dining at the Fort Carson Officers' Club.

Ideas win awards and customers

Innovations boost sales, profits.

CHICAGO—The National Restaurant Association announces the winners of its 1978 Operator's Promotion Idea Exchange Contest.

Boot of beer

One Michigan restaurant wanted to increase sales in the bar and provide its customers with a visual reminder of their visits. They produced a 10-ounce clear glass boot, adapted from an Ex-German one-liter drinking boot and embossed it with the restaurant's name. The boot was sold in the bar for 75 cents plus the cost of the beverage. Menu inserts and a wall display in the bar offered a "Boot of beer for a buck—you keep the boot," and service personnel were urged to suggest the boot to customers in the dining room and bar. Flower-filled boots appeared on tables, suggesting yet another use.

Oldie but goodie

A California chain introduced "Cola Date '56" as a business builder featuring fast foods from the 50's, such as hamburgers, chicken in a basket, shakes and colas. Inside were more posters, point of purchase signs and 1956 model cars.

Wine not

Another Michigan restaurant increased sales of some wines by 500 percent with a wine-selling contest among the waitresses. Tasting sessions were held, where waitresses tasted the wines and received printed education information. As each waitress sold one of the wines, an identification sticker was transferred from the bottle to the contest board, beside her name. The waitress selling the most wine received a \$25 gift certificate. Second, third and fourth place earned bottles of wine.

Renovation revelation

Renovating or building? Take advantage of the construction. A Washington, D.C. hotel dubbed a lounge near to construction the "Construction Site Lounge." Walls were covered with imitation woodgrain, and green plants surrounded the area to give it an outdoor flavor. Construction signs were posted everywhere. The entrance to the bar was labeled the "Foreman's Shack," and the bartenders

were given the title of foreman. Waitresses were dressed as construction workers. Toy dumptrucks were filled with popcorn. The house drink was named "The Sidewalk Super," and served in a "peephole" glass. Through the peephole, the customer could see a rendering of the new hotel. Waitresses wore but-toms promoting the drink. The lounge manager was trained to answer all questions about the construction of the new hotel. Roast beef sandwiches were offered as another inducement to draw guests to the lounge. Total costs were \$2,000 for labor and materials and \$500 for advertising. Sales rose 30 percent during the construction period.

Two pack

A Colorado country club developed a "Two Pack" to hold two half bottles of wine. It provides the opportunity for each customer to have the wine of his choice, or for guests to choose different wines to accompany certain courses. Employees were trained and the "Two Pack" promotion was announced in the club newsletter and featured in table tents and on menu and wine list slip-ons. Annual wine sales were \$40,000. During the first 90 days of the promotion, sales reached \$18,200. The average wine check rose 9.3 percent. But most amazingly of all, sales of wine half bottles rose 1700 percent. The club pays \$.34 for each cardboard caddy.

Super burgers

A Ohio restaurant doubled hamburger sales by advertising its single most popular menu item—hamburgers. An advertisement in a local newspaper called for "hamburger experts" to write in and tell why they should be chosen for an eight-member panel to taste-test "the world's greatest hamburger." Signs and T-shirts were printed touting "the world's greatest hamburger."

They'll pay for quality

WASHINGTON—Time and time again hospitality industry surveys demonstrate that people are willing to pay a higher price for quality. If your operation is "worth it" to the patrons, then consider higher prices for your food operation. Caution—before you consider raising your prices, make sure that the service, food and atmosphere are worth the money, otherwise you may turn the people off and they may never return. Value is key.

Clubs that build business on the basic hospitality precepts of service, quality, atmosphere and value should attract the member time and again.

00J50 program improves

Better outlook for 00J promotions and education.

WASHINGTON—The Enlisted Club Management Career and Development Program for noncommissioned officers holding the military occupational specialty 00J50 has made considerable progress in the past several years in the areas of promotion and education, according to officials at the Club Management Directorate.

Entrance criteria tightened

The officials cited stiffening of the criteria for entry into the program as an indication of the improvement of the quality of enlisted people entering the club management specialty. "The minimum grade entry requirement for 00Js is now E-6," according to **SGM Earnest Sands**, Senior Club NCO at the Club Management Directorate, TAGCEN.

Training opportunities are available ... that weren't before ...

Sands cited an increase in the general technical score required to enter the program from 100 to 110 as another indication of the stiffening of the MOS 00J50 requirements. "We also now require people entering the program to have not more than 16 years total active service at the time of application for the 00J50 program," said Sands. "We hope this move will reduce the annual attrition rate of 00J50 people from its current 15 percent rate." This move also allows the Army to capitalize on funds used to train NCO club managers, he said.

More NCOs assigned

Traditionally, the Army has had more authorized positions for club managers than people to fill them but Sands predicts that the assigned strength will approach 100 percent of authorizations in early 1979. "We're having difficulty filling club manager jobs with qualified people," said Sands. "When we find qualified people, who want to enter the club management specialty, sometimes we can't get clearance from their branch because of shortages in that branch."

Education advances

Training opportunities are available for club managers that weren't available before, according to Sands. "Before 1978, no enlisted club managers were selected

to attend the Sergeants Major Academy at Fort Bliss. During fiscal 1978, two were selected. Also, prior to fiscal 1978, we didn't have special club-oriented Advanced NCO Educational System (ANCOES) for E-6's. But in 1978, the ANCOES was developed and the first class of E-6's graduated last June. Prior to 1978, E-6 NCO managers had to attend the ANCOES in their secondary MOS to get advanced training," he added.

Sands pointed to statistics showing a dramatic increase in the number of NCOs attending the Club Management Directorate-sponsored Executive Club Management Course which provides ANCOES for 00J50 people. These statistics showed that nearly half of the attendees at the 1978 course were NCOs and that 46 NCOs attended the 1977 executive course out of 90 attendees.

Promotions

The promotion picture for 00Js is also improving. 22.2 percent of those considered for promotion to E-7 in the most recent promotion board in both the primary and secondary zones were actually selected for promotion compared to an overall Army selection rate of 17.4 percent.

13.8 percent of those considered for promotion to E-8 from the primary and secondary zones were actually selected for promotion compared to an overall Army selection rate of 17.5 percent.

The most recent promotion board resulted in a near doubling of the percentage of 00J E-8s selected for promotion from the previous board. On this E-9 promotion board, 23 E-8s were considered for promotion in the primary zone and three (13 percent) were selected. One (5.3 percent) was selected from 19 considered in the secondary zone. This represents an increase to 9.5 percent from the previous E-9 promotion board when 4.7 percent of those considered in both the primary and secondary zones were actually promoted.

Riley club going up

FT RILEY, KS—A 75-year-old building was demolished to make way for a new addition to the Fort Riley Officers' Club, beginning the second and last construction phase.

The addition to be completed in spring 1979 will provide Riley officers club members with a modern kitchen, ballroom and enlarged lounge. Seating capacity in the new 30,000 square foot club will increase by 200 to 850.

By continuing to pay their dues during the construction period, members may use the bar and dining facilities at two nearby private country clubs and other officers' club facilities located around the post.

(RETROSPECT, from page 1)

In USAREUR, clubs worked hard to overcome the effects of major devaluations of the dollar against the DeutscheMark but found the devaluation to have a two-sided effect—increasing the cost of goods procured on the local economy and increasing the cost of paying local civilian employees. The dollar's devaluation there also increased club members' participation when higher prices in local German restaurants and bars made the lower-price Army clubs more attractive.

Club Management Directorate technical training and management assistance visits took many forms. Some were comprehensive visits with teams spending several weeks at installations reviewing all facets of the club's operations. Others focused on specific management problems such as marketing, internal controls or upgrading the food and beverage service. Still others were made by facility design specialists who prepared 28 interior design packages for Army clubs in such areas as kitchen and bar, entire facility renovations and for six completely new construction projects.

43 club systems were audited in fiscal 1978 by USAAA and commercial accountants with the most recurring discrepancies being found in controls over cash, bar operations, food, bingo, investment of excess cash, physical security and key control, time keeping, payroll and work schedule procedures, reconciliation of inventories, and preparation of meaningful operating budgets.

The number of serious incidents reported to Department of the Army remained about constant with larceny, forced entry larceny, inventory shortages and mismanagement topping the list.

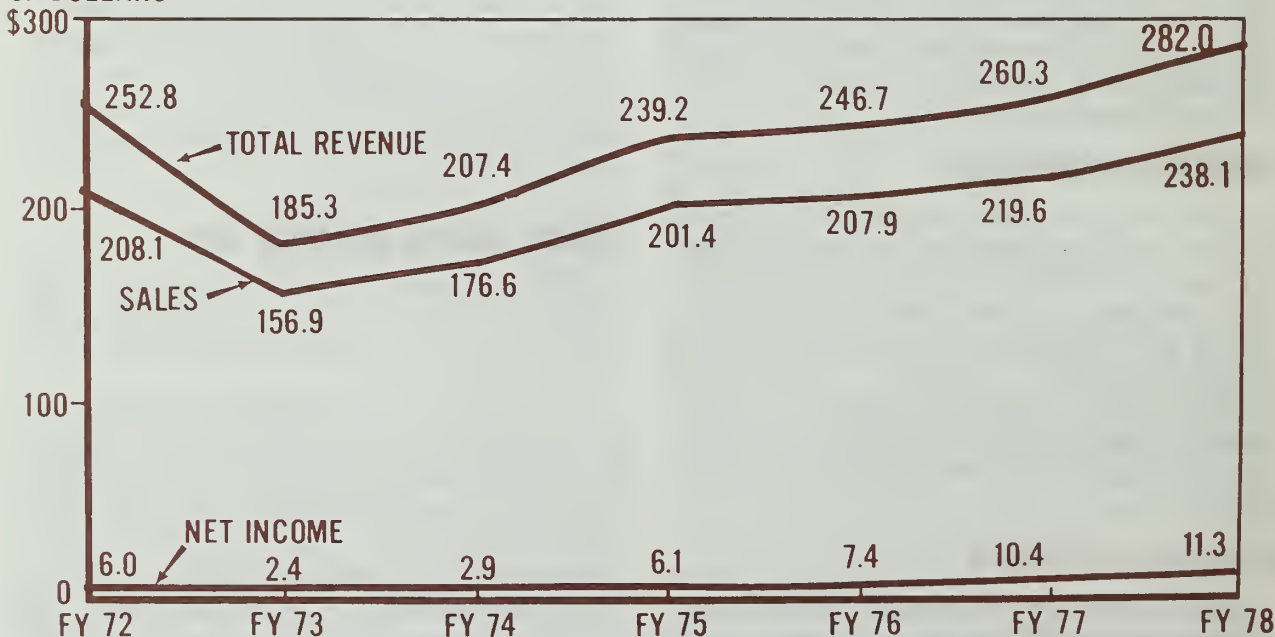
In fiscal 1978, a study to determine the best way of managing clubs at the Department of the Army and installation levels was completed by Department of the Army.

This study found that clubs will have to cope with less appropriated fund support and package beverage net income in the future. It modified the organization of the Club Management Directorate, The Adjutant General Center, by abolishing the Western Regional Office at the Presidio of San Francisco in July 1978 and expanding the former Eastern Regional Office in Washington D.C. into a United States Regional Office. This office now provides on-site technical training and management assistance for clubs located in the 50 states, the Canal Zone and Puerto Rico. The European Regional Office remains intact with a slight increase in training and assistance personnel.

Another result of the study was the creation of a Major Command Board of Advisors to advise The Adjutant General on club matters. The first meeting of the Board of Advisors is expected in March 1979. The study also tasked commanders to develop plans to cope with anticipated reductions in income from other sources which are expected in turn, to cause accelerated civilianization of club management positions.

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MILLIONS OF DOLLARS



Increases in Army-wide club total revenue, total sales and net income are reflected above.

Many installations were introduced to the Standard Automated NAF Accounting System (NAF/STANFINS). Conversion to the new accounting system is designed to increase CAO responsiveness and decrease costs as a result of standardization and functionalization of the central accounting office which is needed to convert to the automated system. While managers who are currently converting to the new system generally support it, there have been acute problems experienced with a lack of local computer support and experience with the new system.

Legislative oversight of the Army club system as well as clubs of other Services increased during fiscal 1978. The Army along with the other Services, testified before the Nonappropriated Fund Panel, Investigation Subcommittee of the House Armed Services Committee in October 1977. The Panel then initiated, at the request of Chairman Dan Daniel (D-Va.), a comprehensive review of military clubs and package stores by the General Accounting Office, the Congressional watch dog agency. As a part of the review, GAO teams visited Fort Shafter, HI; Fort Leavenworth, KS; Fort Jackson, SC; Fort Bragg, NC; and

the Stuttgart Military Community in USAREUR. The GAO also mailed questionnaires to 300 officers, 400 NCOs and 400 junior enlisted Army people to measure attitudes toward Army clubs. The report is expected soon.

The most important improvements, however, were made by individual clubs managers who performed admirably while facing such adversities as increasing labor and goods costs as a result of a high inflation rate. Managers had to cope with market fluctuations as a result of massive Army training exercises which took troops to other states and other countries. Then there were the seemingly endless audits, inspections, reviews and notes from the commander. There were the disputes with the central accounting office, the civilian personnel office and the procurement office. In spite of these problems, Army club managers persevered and continue to improve club operations for the members—soldiers and their families. The club management system salutes these managers and looks forward to another year of improved club progress and service to its members.

Commissary still most economic source

FT RILEY, KS—A recent comparison of prices offered by the commissary to those offered off-post was conducted here with some revealing results.

The survey showed that prices in local supermarkets are much higher, according to the Fort Riley Post. The newspaper cited a 1977 survey which placed savings at 39.2 percent and a 1978 survey citing a 39.8 percent savings. Prices on 85 commissary items were compared to prices at two local supermarkets. In all cases, identical brands, grades, sizes and types of containers were used in an effort to increase survey validity.

ITEM	Cost Store #1	Cost Store #2	Cost Commissary
White bread, 24 oz. loaf	.69	.69	.51
Chicken soup, can	.26	.30	.20
Grape jelly, 10 oz. can	.63	.63	.45
Coffee, 1 lb. can	3.09	3.09	2.29
Cola drink, carton of 6	1.75	1.75	1.38
Margarine, 1 lb.	.79	.81	.46
Hamburger, 1 lb.	1.19	1.09	.89
Pork loin roast, 1 lb.	1.89	1.49	1.19
Fresh apples, 1 lb.	.39	.29	.19
Head of lettuce	.69	.59	.53
Whole milk, 1 gal.	1.01	.96	.72
Baby food, 4 oz. jar	.26	.24	.18
Flour, 5 lb. sack	1.09	1.09	.69
Tuna, 6 ½ oz. can	.93	.99	.63
Salad oil, 24 oz. bottle	1.39	2.19	1.00

Overtime Pay

WASHINGTON—Installation club managers should carefully watch the amount of employee overtime being used in their clubs.

Studies show that employee productivity decreases beyond the normal 8-hour work day. The decrease in employee productivity and the increased cost of employee overtime combine to defeat the bottom-line

objectives of the club. Installation club managers should continuously review employee overtime procedures and maximize the use of employees at regular rates of pay. The ICM may allow branch managers to approve overtime within their branch.

Unscheduled overtime should be confined to unexpected requirements using the same procedures as for scheduled overtime.

Accounting

This is the first of a series on accounting for club dollars.

WASHINGTON—Club accounting is rapidly changing.

Only three years after the Army-wide implementation of the central accounting office concept, the Army is moving to convert these central accounting offices to an NAF automated accounting system.

It's a massive undertaking—one which NAF accounting experts believe will result in better CAO service and at a better price.

Background for change

Before 1971, managers operated with a medley of accounting procedures. Some NAF managers were performing their own accounting. Other managers contracted with commercial accountants for their accounting. Still other managers relied on the services of various types of central accounting concepts, some of which were started without sufficient planning and, as a result, experienced significant operating difficulties. Some accounting was automated to different degrees—most was manual. Most accounting was generally performed "in-house"—that is, in the activity that was generating the funds.

In the late 1960's and early 1970's, widespread mismanagement and malfeasance in the operation of Army clubs was uncovered. Congressional investigations and hearings ensued. The Congress recommended stronger central club management and the U.S. Army Club Management Agency (USACMA) was formed in early 1972. In 1973, USACMA implemented the installation club manager (ICM) concept. Club accounting was brought into the ICM office and no longer was performed by the individual club managers. Other NAF fund custodians continued to perform their own accounting. In 1975, USACMA evolved into the Club Management Directorate (CMD), The Adjutant General Center (TAGCEN).

In late 1975, the Comptroller of the Army (COA) assumed responsibility for NAF accounting policy and payroll procedures. This meant that the installation comptroller through the finance & accounting officer would operate a central accounting office for all NAF activities at the installation and the installation deputy for personnel and community affairs (DPCA) would be responsible for program management.

The CAO concept, theoretically, would reduce costs through consolidation and specialization, improve the quality of fund accounting, and increase



command control over NAF fiscal activities. In practice, many CAO's experienced significant operating difficulties. Frequently, the accounting office operations were organized by fund rather than functionally (i.e., payroll, accounts payable, receivables, general ledger, etc.) thus diminishing the principal cost reduction advantage of central accounting.

At many locations, all NAF accounting people simply moved under one roof and performed the same duties that they accomplished at their former location. Some of the smaller NAF activities, such as yacht clubs and riding clubs, incurred accounting costs which they couldn't afford whereas before many such clubs were so small and accounting requirements so minimal that one person in the club took care of the bookkeeping on their own time and at no charge. The CAO was now billing these small funds for accounting services.

... widespread problem was confusion which existed with regard to the functions to be performed by the CAO and ... the fund managers ...

The most widespread problem, however, was the confusion which existed with regard to the functions to be performed by the CAO and those functions of the program managers. There was a thin line between the CAO's accounting function and the fund custodian's financial management function. This line was often crossed.

In 1978, TAG and COA agreed on clarification of the CAO/fund manager arrangement. Under this agreement, fund custodians:

- manage NAF resources.
- develop program objectives and direction, to include budget guidance.
- identify major command and installation appro-

(continued)

appropriated and nonappropriated fund resource requirements, prepare the justifying appropriated and nonappropriated fund budgets in support of morale, welfare and recreational activities, and financially manage these activities.

- interpret financial reports and related documents provided by the CAO and make management decisions based thereon.

- evaluate periodically management reporting and information requirements to ensure the need for their continuation.

Under this agreement comptrollers:

- perform the accounting, develop accounting policy, prepare the payroll and issue reports to management.

Some central accounting offices were started without sufficient planning.

- provide technical assistance to program managers, with regard to the appropriated fund budget formulation process at various command levels.

- provide, as required, schedules showing variances between actual and budgeted data, standard ratios and turnover rates.

- provide financial data from NAF accounting records consistent with management needs.

TAG and the Comptroller also agreed that program managers and the CAO would work together to ensure the responsiveness and cost effectiveness of accounting services.

Thomas McIver is the man in charge of the US Army Finance and Accounting Center (USAFAC) effort to ensure that CAOs are responsive to management. He explained his views.

"The central role of NAF accounting is the production of reports. These reports are one source of information used by the fund manager in an attempt to deal with uncertainty. The most important report that the NAF CAO produces for fund managers is the financial statement. The objective of the financial statement is to provide useful measurement and disclosure of the financial dimensions of the club or

other NAF activity's economic advance affording managers information on which to base decisions.

Financial reports are used by fund managers in the decision-making process," McIver said. "In this regard, it is absolutely essential that the reports be accurate and provided managers on a timely basis."

"The CAO concept will survive only to the extent that the accounting system is providing relevant and timely information to the fund manager. The CAO should be able to provide fund managers financial information and reports on a "daily" basis if necessary in the manner and format desired. This will allow the manager to operate and make decisions on a real time basis rather than after receiving a monthly financial statement 15 days after the end of the month," according to McIver.

"A task of the CAO, as an accounting service is to assess whether the CAO is supplying timely management information. The reports and information generated by the accounting system in order to be relevant to the decision-making process should provide the kind and type and frequency of information desired by managers," McIver said.

Army clubs are by far the largest users of CAOs, paying over \$6.5 million in fiscal 1978. COL Lee C. Dickson, TAGCEN's Director of Club Management, commented on the CAO concept. "The switch to the

"A cornerstone of CAO effectiveness is the economy of effort . . ."

CAO was evolutionary rather than revolutionary," Dickson said. "Most accounting for clubs had already been centralized in the club system's administrative support branch. The further centralization of accounting for all NAFIs under a central accounting division of the servicing finance and accounting office has great potential for improved efficiency and cost savings by developing a standardized functional accounting system that is adaptable to automation. We advocate changes which will increase responsiveness of providing management information and reduce administrative costs," he added. (continued)



“The current regulation governing accounting definitely distinguishes the accounting and program management roles, according to Dickson. It established the CAO as an accounting service. “If it’s a service that is responsive and cost effective, we are all for it,” he added.

With the role of the CAO definitely established as a service to the fund managers, USAFAC officials appear fully aware of the need to make it as responsive as possible. And, with the need for financial information on a timely basis so critical to the program manager, TAGCEN is aware of its obligation to assist USAFAC in its attempt to reduce CAO cost and increase responsiveness to benefit program managers and ultimately the members of clubs and other NAF activities.

Problems identified

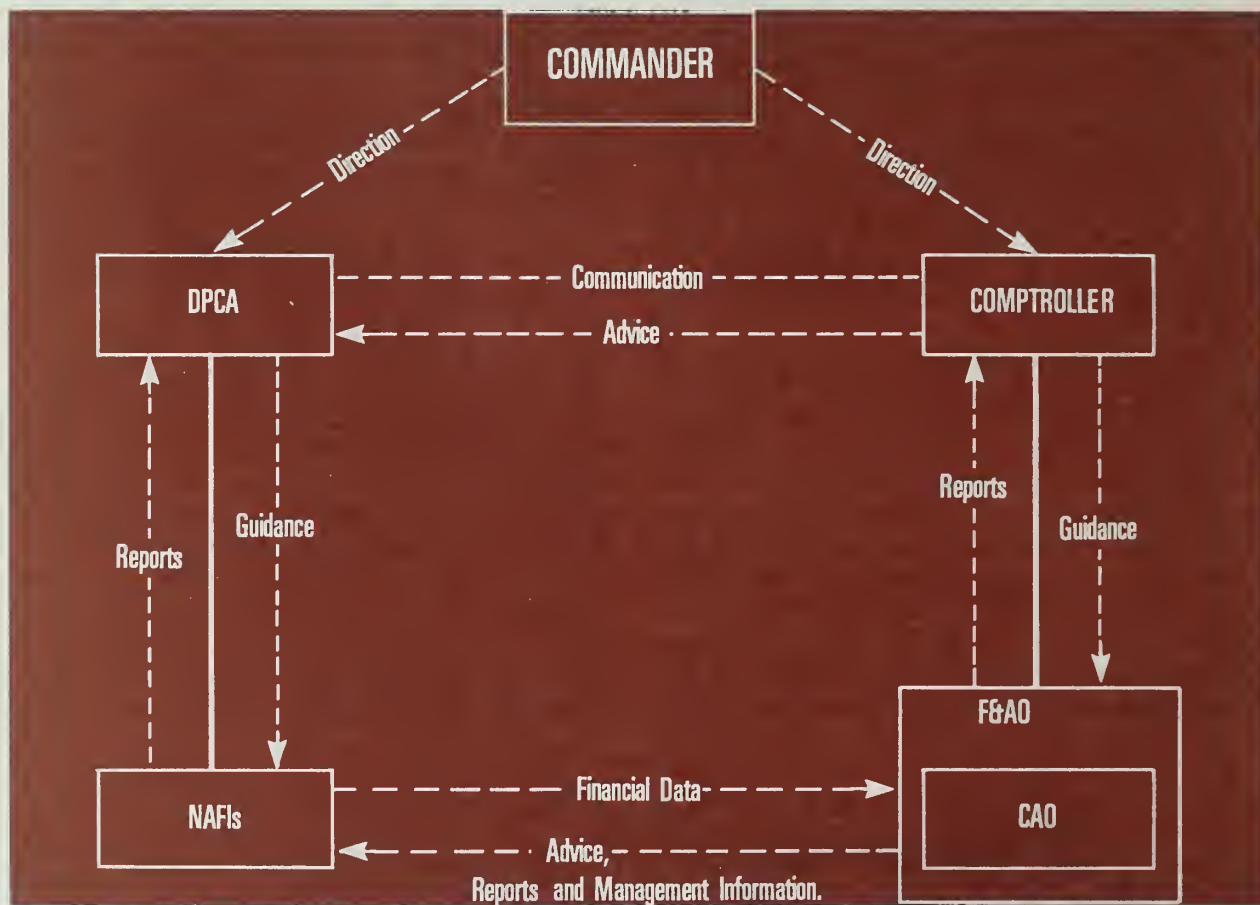
The course of action to be taken on these problems depended upon their magnitude and TAGCEN and

USAFAC set out to identify CAO problems. In 1977, Army installations were surveyed to find out how effective the CAO concept was in servicing clubs and other NAF activities. The survey showed that accounting costs, after centralization in the CAO decreased by nearly half. Fifty-seven (57) percent of the DPCAs said it was cost-effective and 43 percent said it wasn’t, the survey showed. Forty-three (43) percent of the DPCAs surveyed said that the CAO concept was more responsive and 39 percent said that it wasn’t; 17 percent didn’t see any real change, according to the survey.

Since the survey was not conclusive, TAGCEN decided to make on-site visits to obtain more information.

Captain Robert Mark, was a member of a TAGCEN team which visited CAOs and fund managers at seven installations to see if CAOs were cost effective. He recalled his trip observations. “Generally,

(continued)



Above, communication and command chain needed for smooth NAF accounting. Commander provides direction to deputy for personnel and community affairs (DPCA) and comptroller. DPCA provides guidance to fund managers and to comptroller and receives advice from comptroller and reports from fund managers. Comptroller issues guidance to the finance and accounting officer who is in charge of the CAO. CAO reports to the comptroller and provides advice, interpretation, reports and information to the fund managers based on financial data received from the fund manager.

fund managers accepted the concept of the CAO but they still felt that cost could be lower and service better," he said. "You have to remember that these managers supervised their own accounting prior to the establishment of the CAO. They were conditioned to fast response to questions and generation of unique management information data tailored to their own style of management."



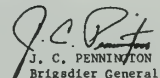
CAO Cost

Fund managers feel as though their accounting costs haven't really dropped. Under the old system, some of the people in the club manager's accounting section were performing tasks other than accounting. When the CAO concept came into being people were either lost to the CAO and replaced by other club administrative people or spaces were transferred to the CAO and the club people remained at their club jobs. Costs appeared to rise with the CAOs inception because some managers could no longer lump their accounting costs in with the club's administrative costs. Fund managers are more aware of accounting costs because they receive a monthly bill whereas before, costs were on the financial statement. Mark said that CAOs vary in size and in the type of operation and functions performed. One installation may have a manually-operated CAO while at another the operation may be entirely mechanized, according to Mark. One CAO may have an accounts receivable section and with another this function may be contracted with a local bank. "It's difficult to compare one CAO operation to another," Mark said. Also, inflation and salary increases have affected CAO costs.

Organization

"We found problems in the organization of the CAO. For example, people weren't performing their work by function but were handling it by activity. Essentially, the CAO was a CAO in name only and not functionalized. At some locations we found one person performing all of the accounting chores for one activity. A cornerstone of CAO effectiveness is the economy of effort that comes from functional centralization. Ideally, one section should perform one function, accounts receivable for example, for all of the activities on post and become proficient at this function thus becoming more proficient. We call this functionalization. We found that in smaller offices, two or more functions can be assumed by one person, thereby saving more money," according to TAG-CEN's Mark.

Fund managers say that CAO staffing varies depending on the location and not the mission, citing disproportionate numbers of CAO people in relation to the needs of the funds which they serve.

	DEPARTMENT OF THE ARMY OFFICE OF THE ADJUTANT GENERAL AND THE ADJUTANT GENERAL CENTER WASHINGTON, D.C. 20314
	DAAG-COM
12 December 1978	
SUBJECT: Nonappropriated Fund Central Accounting Offices	
SEE DISTRIBUTION	
<p>1. The purpose of this letter is to emphasize the common goals and objectives of the Comptroller of the Army and the Adjutant General regarding the operation of Nonappropriated Fund Central Accounting Offices.</p> <p>2. By Memorandum of Understanding, dated 4 November 1975, TAG transferred to COA responsibility for NAF accounting at the installation level. However, since TAG retained responsibility for financial management of the NAFIs, TAG and COA have a dual responsibility for the adequacy and cost effectiveness of NAF accounting and reporting.</p> <p>3. This dual responsibility is also evident at the installation level where a vendor/customer relationship exists between the serviced NAFIs and the CAO. There, as with any user of commercial accounting services, the accuracy and timeliness of the output is directly related to the accuracy and timeliness of the input. On the other hand, customer satisfaction is a prime requisite if the purveyor of services is to remain competitive. In this case, customer satisfaction is directly dependent on timely receipt of quality products at a reasonable cost. This is not a simple accomplishment.</p> <p>4. Both TAG and the COA see the Standard NAF Accounting System (STANS) as an opportunity to reduce overall NAF costs while improving and standardizing accounting and reporting. Recognizing that this or any other standard computer system creates problems during the early phases of implementation, the NAFIs and the CAO must work together during this period of turmoil to reduce problems. Prior preparation, gradual implementation after thorough testing will help insure smooth transition.</p> <p>5. The Centralized NAF Payroll System is another area which will pay dividends if projected schedules are adhered to. DARCOM has set the example for STANS and is now providing the time, the computer system and the expertise for the centralized pay system. The rest of the Army should profit from their initiative and move with measured haste toward adopting these systems.</p> <p>6. Nonappropriated Fund Central Accounting Offices have had their share of problems. Many of these problems are self-made, resulting from inconsistent service charges not representative of actual cost or work performed, nonfunctional alignment of CAOs and lack of communication. As we move toward a standard accounting system, centralized payroll system and uniform guidelines and procedures, the cooperation of all involved elements will be required. Communication between servicing and serviced activities and concentration of effort by all concerned is needed to make CAOs and the NAF accounting system truly cost effective and responsive to the needs of the serviced activities. We seek the assistance of personnel at all echelons of command in this effort.</p>	
 R. L. WEST Lieutenant General, USA Comptroller of the Army	 J. C. PENNINGTON Brigadier General, USA The Adjutant General

Communication

Communication is another problem—one bearing directly on cost. Managers who do not communicate regularly with their CAO and vice-versa cannot expect to have a smooth running operation, according to finance experts. While many managers view the CAO as too costly and unresponsive, conversely, CAOs complain about managers submitting documents which are either late, sloppy or inaccurate. They also resent managers questioning the technical procedures used in the preparation of their reports. They complain about managers "batching" documents, that is, holding a large amount and sending them to the CAO near the end of the month, thus forcing the CAO to retain larger staffs than would normally be necessary to handle peak document flow and causing late financial statements. (continued)

“Batching” documents

“Batching documents hinders the CAO’s ability to provide managers with information in a timely manner,” according to Mark. “It causes the CAO to be late with reports and deprives management of needed information. The member is the one who ultimately suffers if management makes poor decisions based on insufficient or out-of-date information.”

Cost distribution

There are problems in distribution of CAO costs to the funds. For example, the package beverage store was paying a disproportionate share of the club system’s CAO costs because these costs were allocated to the store based on gross revenue rather than actual work as prescribed by regulation. In some instances, the club systems were being overcharged by \$1,000 per month or more for accounting services. Closer analysis showed that the club system and the morale support fund were subsidizing the accounting cost of the smaller NAF activities such as the riding and the parachute clubs at the direction of the installation commander. Accounting costs are required to be based on workload rather than ability to pay.

Problems on a higher level

There are other communication problems at the DPCA and comptroller level. In some cases, the DPCA would often blame the comptroller side of the house for problems occurring and originating within his fund activities. The comptroller would often rebut explaining that the problem had originated with the fund manager. Both the DPCA and comptroller were making each other look bad.

USAFAC officials appear fully aware of the need to make CAOs as responsive as possible.

There are other problems at the DPCA and comptroller level. Sometimes, the DPCA was reluctant to relinquish personnel spaces to the comptroller to perform accounting for the NAF activities at the installation. The comptroller in turn was not properly explaining and justifying his request for personnel spaces. There were instances of the DPCA complaining that services were not being provided on a cost-effective basis and that the comptroller was over-billing funds to pay CAO employees more.

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Accounting by a private firm?

Many fund managers question why they can’t contract their accounting out to commercial accounting firms. USAFAC experts say that they will consider any exception to policy to contract out the accounting function as long as it is “carefully thought-out and justified”. They noted that the accounts receivable is often contracted out to commercial banks but some managers don’t realize how much it is costing them.

MAJ Barry Baer, a USAFAC NAF accounting expert said that commercial accounting for nonappropriated funds may seem attractive on the surface but that there may be pitfalls. “Take the case of the club that contracts with a commercial firm to handle all their accounting,” he said. “This firm may negotiate a contract with the club, break even or possibly lose money in the first year and then raise their prices when the contract comes up for renewal the next year. The club is locked in. They will either pay the higher costs or run the risk of having to change firms in mid-stream and renegotiate contracts.”

“There are regulations and peculiarities regarding nonappropriated funds and the new contractor will have to take the time and expense to adapt to the NAF accounting practices,” Baer said.

Another reason that USAFAC discourages against contracting with commercial firms is the flexibility and cost of changes to the accounting system prompted by changes in Army regulations. Baer said that the CAO concept is set up to handle regulatory changes and incorporate them quickly, especially in those systems which are currently automating their accounting under the standard automated NAF accounting system. If the club is contracting with the commercial firm, unanticipated changes could cause contract problems and increase costs, he added.

Another problem is continuity. If the commercial firm folds in the middle of the year, then the club must renegotiate a contract and live for a while without accounting services. Then there’s the problem of document flow. Also, according to Baer, there could be significant problems with transferring documents to and from the fund to the accountant if there is considerable distance between them.

There was also disagreement between the DPCA and comptroller over the proper assignment of job descriptions and staffing levels for the central accounting office. Since no standard staffing guides and job descriptions had been issued to the installations concurrent with the changeover to the CAO, this was ultimately bound to happen. The CAO and managers bore the brunt of the DPCA/comptroller conflict.

A telephone survey of central accounting officers and fund managers revealed that the CAO concept is accepted and that communication is the most impor-

Fund managers feel as through their accounting costs haven't really dropped.

tant factor in the smooth operation of the CAO.

Commented one CAO, "I personally meet with the fund manager weekly and more often as needed to explain to him the problems we are having with such things as input to the CAO."

A club manager said that the CAO operation depends on the people assigned to the CAO. "At one installation where I worked, the CAO was great. We had our financial statements five days after the close of the accounting period. Then I went to another installation and the service was terrible. Here, I was lucky to have my statements out before the 25th of the following month."

Commented another club manager: "When the CAO concept came into being, I thought that I wouldn't be able to manage anymore. You have to realize that the financial statement is not a management information system. It can provide you with historical information but that's it. In order to effectively manage, you need to know where your expenses are going day by day."



In its next issue, the Army Host will look at US Army Finance and Accounting Center efforts to increase the efficiency and responsiveness of the central accounting office. This will include a look at the NAF automated accounting system which is fast becoming a reality and, in some cases, a problem at many installations for both the central accounting officer and the fund manager.

GAO Looks into MWR accounting

WASHINGTON—The General Accounting Office (GAO) has informed the Department of Defense of plans to evaluate the efficiency of accounting for appropriated and nonappropriated funds, according to a report in Club and Food Service magazine.

The magazine cited a letter to the Assistant Secretary of Defense (Comptroller) in which GAO stated that the study would "pay particular attention to the

need to centralize, decentralize, or organizationally realign accounting responsibility."

GAO announced that in the course of the study, it will visit club executive offices throughout the Defense Department, including the Club Management Directorate, TAGCEN, along with comptrollers of the Services, the magazine reported.

Pirmasen renovations

PIRMASENS, W. GERMANY—The Pirmasens Officers' and Civilians' Club is currently undergoing a 120-day renovation both inside and out.

The renovations will consist of removing and replacing the entire roof as well as all club windows, according to MAJ Gerald Lasater, area club manager.

The club will also get a new awning, a remodeled lobby, cashier's cage, as well as refurbished cocktail lounge, ballroom and dining room with new lighting throughout. Also on tap for the club's new look are new drapes, lighting and music. Lasater said that the new kitchen was one of the most important features of the renovation since the old kitchen was "completely obsolete."

Best drink

WASHINGTON—The winning drink at the annual mixed-drink competition of the United States Bartenders Guild was the Universe: an ounce of vodka, a

half-ounce of melon liqueur, a half-ounce of Pitasha liqueur, one and a half ounces of pineapple juice and a half-ounce of Rose's lime juice.

Clubs have common problems

Lack of proper labor scheduling, in-house training, MIS noted during club visits.

WASHINGTON—Many Army clubs have similar problems, according to members of Club Management Directorate technical training and management assistance teams.

Recurring problems run the club management spectrum and team members recalled their common findings during interviews at the close of fiscal 1978.

"We found managers at some of the clubs which we visited who simply lacked basic management knowledge," said **LTC Paul Wise**, chief of CMDs United States Regional Office. "These managers simply weren't following the regulations and showed little initiative in membership building programs and didn't keep their commanders informed of club status and problems," according to Wise. Wise said that the reluctance on the part of many managers to report their problems to the commander often resulted in irreparable situations which instigated the need for outside help.

"Clubs must have scatter sheets . . ."

He cited excessive labor expenses as one of the most critical problems facing clubs visited by his office which is responsible for providing teams of club management experts to assist clubs in the 50 states, the Canal Zone and Puerto Rico. "Inadequate labor control is particularly acute in the food and administrative areas," Wise said. Here, schedules were not being prepared properly and on time, according to Wise. "Schedules must be prepared based on the anticipated volume of business and overtime must be closely monitored and approved in advance by the ICM or branch manager if that authority is delegated to them," he added.

The assistance teams find some abuse of overtime among managers also, according to Wise. Many managers are scheduled for duty from 8 a.m. to 4 p.m.—this results in paying extra compensation for work during evening business hours. He suggested that more managers should be scheduled by staggering shifts and rotating schedules to reduce overtime.

MAJ Robert Aleva, who closely works with 101 clubs at 19 Training and Doctrine Command installations (total revenues exceeding \$57 million) as the TRADOC "desk chief," said that many clubs which he visited lacked effective management information. "Clubs must have scatter sheets to provide sales figures by item and use as well as head count," he said. Aleva suggested that club managers keep up-to-date management information on each activity and keep

historical data for more effective "planning of product preparation, popularity of the product among members, employee scheduling and for other management decisions."

Aleva pointed out that some managers simply go through "a paper drill" in the preparation of their budget, but that good managers make budgets "work for them as management tools."

Aleva noted that in-house training at many of the clubs visited was inadequate. "Management takes no interest in training their employees and then wonders why their labor costs go out of sight," he said. He suggested that managers take the time to have accurate job descriptions and standards as well as standard operating procedures.

Aleva, who won recognition as the Army's best club management officer in 1976 for his work at the Karlshrue club system in West Germany, also asserted that management supervisor training is a must to refresh the employee as well as teach new techniques, increase interaction with management and keep employees abreast of changes in club procedures.

MAJ Lewis Turner, CMDs Development and Readiness Command "desk chief" also cited labor costs as critical to club financial success. His team visited one club where prudent labor scheduling could have saved over \$1,500 per month.

Turner's DARCOM team is responsible for monitoring 76 clubs at 28 installations with fiscal 1978 total revenues over \$17 million. He said that some managers at clubs visited were completely unaware of their true costs of doing business. "When the financial statement comes from the CAO, some managers are shocked at their labor, goods and beverage costs and their administrative overhead."

Another "desk chief", **LTC Robert Urdal** has responsibility for assisting clubs in the Army Forces Command, and he's seen many managers make the same mistakes. "In FORSCOM, we found that the manager who didn't keep the installation commander informed eventually found the commander interfering with business. Urdal said that installation club managers should monthly, or sometimes more frequently, keep the commander informed regarding goal attainment, trends and planned activities. He said that if they do, they will find "the commander's confidence in the ICM will rise to a point that will permit the ICM to hold the reins of the club system."

The FORSCOM "desk" has training and assistance responsibility for 181 clubs at 26 installations with fiscal 1978 total revenues exceeding \$87 million.

Second Club ANCOES graduates

FT HARRISON, IN—Sixteen E-6s holding the Club Management Specialty 00J50 graduated from the new Advanced Noncommissioned Officer Education System (ANCOES) course devoted strictly to club management here on Nov. 17, 1978.

This is the second such class. The first class graduated 15 students in June 1978. Two courses are scheduled for 1979.

Before 1978, E-6s seeking advanced education in their specialty attended NCOES in their secondary MOS.

NCOES provides NCOs with advanced education in their specialty, thereby enhancing promotion potential. Following is a list of graduates and their destinations;

SSG Robert A. Benedict	to Ft. Devens
SSG Wiley R. Truelove	to Ft Leavenworth
SSG Jonathan O. Gill	to Saudia Arabia
SSG Edward J. Whitlow	to Ft Bliss
SSG DeLanto Tarver	to Berlin, Germany
SSG William D. Sprouse	to Ft. Leonard Wood
SSG Johnny M.R. Murphy	to Weisbaden, Germany
SSG John F. Mann	to Mainz, Germany
SSG William L. Fever	to Wertheim, Germany
SSG Larry L. Justus	to Goeppingen, Germany
SSG Allen R. Jones	to Zwiebrucken, Germany
SSG Marcus N. Hunter	to Goeppingen, Germany
SSG Allen K. Howard	to Berlin, Germany
SSG Edward J. Healy	to Hanau, Germany
SSG George R. Gray	to Ft Myer
SSG Thomas Grace	to Wildflecken, Germany

For the record

From an address by COL Lee C. Dickson, Director of Club Management, The Adjutant General Center to a Club Management Course graduation.

In the civilian sector, restaurant operators pick a specific market niche and for the most part stick with it. The food service spectrum ranges from the more traditional but simple to operate Mom & Pop neighborhood bar and grill or tavern to complex night clubs and gourmet restaurants. At the other end of the spectrum are newer and more innovative establishments such as the inexpensive family restaurants, (Marriott's Roy Rogers), low price steak houses (Ponderosa, Rustler), fast food (McDonalds, Burger King-Queen-Chef, Hardees, Kentucky Fried Chicken, Arthur Treacher's Fish & Chips, etc.), to the more complicated but popular priced theme or specialty restaurants (Marriott's- Hogates seafood, Phineas roast beef, Garibaldi Italian, Franklin Stove beef, lobster tail, steak Red Lobster, Victoria Station, etc.)

In between are cafeterias (Marriott's Hot Shoppes, Morrisons, S&W, etc.), and the con-

ventional full-service restaurant.

The key point is that any particular facility or front door is designed to be just one of these types of establishments. The degree or ease or complexity of food preparation and service is fixed by the market niche the operator has chosen to serve.

Not so for the Army club manager. In a single facility with the same limited kitchen equipment and staff, he is expected to provide: cafeteria or table-service for lunch; a facsimile of a fast food line, cafeteria, and sit-down service for lunch; specialty food programs as well as a la carte dining in the evening; gourmet dining for the battalion or brigade dining-in; plus assorted catered spouses' clubs luncheons, hors d'oeuvres for cocktail parties, simple and elaborate buffets, keep-the-price down command-sponsored, semi-official luncheons and dinners; a nightclub atmosphere, entertainment extravaganza on Saturday night; plus a ball for 750 people to celebrate Division Organization Day.

Quite a difference. An Army or civilian club manager who successfully copes with all of that is probably head and shoulders above his commercial restaurant manager counterparts.

1979 Planning Guides distributed

WASHINGTON—Installation club managers have been provided with copies of the 1979 Club Managers' Planning Guide by the Club Management Directorate, TAGCEN.

These guides include valuable information on training materials available from the Club Management Directorate, CMD-sponsored training courses, CMD telephone numbers, US, German, and Korean

national holidays, services offered by Centralized NAF Procurement, the centralized civilian referral program and how to get facility design assistance.

Also included is an explanation of the policy on alcoholic beverage controls and package beverage branch net income distribution. Each month includes suggested food and beverage ideas and important checks and reminders.



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Glad you :

What's the policy on random give-away programs, such as door prize drawings?

An interim change to AR 230-60 says that these programs may be conducted with the approval of the installation commander when the following conditions are met:

- Only club members (including their dependents) and their bona fide guests may participate in the give-away programs.

- The amount of a prize will not exceed \$500.

- Only club members (and their dependents) may participate in club card drawings.

- The cost of the prizes will be included as an entertainment expense in the club annual operating budget.

- Only personnel employed by or assigned to the club may conduct the give-away program, and control and award prizes.

- Prizes will be receipted by using prenumbered receipts or locally-designed "prize award" sheets. Winners will sign their name and indicate their club card number. Guests will sign their name and indicate their sponsor's name and club card number.

- Cash prizes not exceeding \$100 for a single cash award will be paid from the petty cash fund. All cash prizes over \$100 will be paid by check.

- Prizes will be procured in the US through competitive means. See para. 1-15, DA Pam 27-154. Overseas, items will be procured through government instrumentalities such as the AAFES.

- Reference to random give-away programs will not be made in documents sent through the US mail.

- Prizes will be controlled on stock record card or perpetual inventory records. The prizes will be inventoried monthly and reconciled with the perpetual inventory records.

- Give-away programs are not allowed at installations in States or countries which prohibit such activity.

Serviceman's Opportunity College

WASHINGTON—Club managers can get college credit for their military training and on-the-job experience through Soldier's Opportunity Colleges.

This program allows club managers to earn a hotel and restaurant management degree from schools which grant college credit for completion of club management training such as the Club Management and Executive Club Management Courses.

Contact the education center at your installation for details.

FLARE

A little PR goes a long way

WASHINGTON—In the day-to-day operations of the Army club, there is a dimension of club management that is given little attention. Its affects are gradual but rewarding from a personal point of view as well as contributing to the club's bottom-line.

That extra dimension is public relations.

Managers have found that they can improve the image of their club by making the club a more integral part of the military community.

The club should offer meeting space to community groups such as the wives' club. The advisory council should be informed of the need for improved club public relations and a member of the advisory council assigned to coordinate PR efforts with the manager.

The club could sponsor an installation little league team or other activity. Also, the club should cooperate with local charities in special functions when asked.

Another way of improving the image of the club is by announcing the advancement of employees through the installation and club media whenever possible.

Cash controls

FRANKFURT, W. GERMANY—Here are two simple steps to aid managers in cash control:

- Have another employee accompany the night manager when he puts the money in the safe. This second person will serve as a deterrent and may be able to aid in the identification of the thief if the night manager is robbed.

- Surprise cash counts keep honest employees honest.

ARMY HOST

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